

Revised August 3, 2001

As part of the ongoing DoD consultation process, a few refinements have been made to the EFI legislation that are reflected in this Fact Sheet. The information contained herein now accurately reflects the final legislation transmitted to Congress.

EFFICIENT FACILITIES INITIATIVE OF 2001 Fact Sheet

What Is It?

- The Efficient Facilities Initiative of 2001 (EFI) amends and improves the Defense Base Closure and Realignment Act of 1990, and authorizes the Secretary of Defense to recommend a single round of base closures and realignments to an independent commission in 2003.
- The purpose of the EFI is twofold:
 - 1) To evaluate comprehensively the continuing need for domestic DoD installations based on the continuing availability of DoD installations worldwide, and the results of an overseas basing review to be conducted upon completion of the QDR; and
 - 2) To consider how best to organize important military assets to meet future national security needs.
- The EFI has three major components:
 - 1) It authorizes an additional round of base closures and realignments under existing base closure laws;
 - 2) It improves the existing base closure process in new and innovative ways that harness the strength and creativity of the private sector and ensure the primacy of military value; and
 - 3) It provides creative new ways in which the Service Secretaries and local communities can become partners in the ownership, operation, or maintenance of enduring military installations.
 - In essence, the EFI permanently authorizes the pilot program tested at Brooks Air Force Base in San Antonio, Texas and makes it available to all the military departments.

Why Is It Needed?

- There are three primary reasons why an additional round of closures and realignments is necessary today:
 - 1) The Post-Cold War reduction in forces was not paralleled by similar reductions in facilities. Consequently, current facilities do not match force structure.
 - 2) Military installations must be restructured to meet the missions and challenges of the new century; and
 - 3) Excess or under-utilized facilities waste limited resources, that could be better spent on more urgent priorities, on maintaining infrastructure we no longer need.

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Matching Facilities to Forces

- Current estimates show there is between 20 and 25 percent more base capacity than actually needed.
- The EFI will help find innovative ways to consolidate, realign, or find alternative uses for current facilities.
- All recommendations will be based on future force structure requirements and emphasize military value. All military installations will be reviewed.

Meeting the Challenges of a New Century

- To transform the force for the future, operational needs must drive base function and location.
- Facilities must be restructured to serve the missions of more than one Service.
- Enhancing Joint Service operations not only reduces waste, it maximizes military effectiveness.
- The EFI will facilitate multi-Service missions, and create joint organizational and basing solutions.

Making the Wisest Use of Limited Defense Dollars

- Both the President and the Secretary of Defense are committed to developing the military capabilities needed for the 21st century. They are also committed to ensuring optimal use of every Defense dollar.
- The savings produced by EFI will allow the Department to:
 - focus more resources on facilities we actually need;
 - help reduce the current rate of facilities replacement from 192 to 98 years;
 - free-up needed resources for recruitment, training, and modernization; and
 - ultimately save the taxpayers up to \$3.5 billion annually.
- Independent analyses by both the General Accounting Office (GAO) and the Congressional Budget Office (CBO) have consistently supported the Department's view that the BRAC process provides significant savings. The GAO's 1998 reports affirms that once implementations costs have been offset, "BRAC recommendations will result in substantial savings." The Congressional Budget Office concurred saying the GAO report was "consistent with CBO's own conclusions: past and future BRAC rounds will lead to significant savings."

A forthcoming GAO report is expected to characterize BRAC savings through 2001, as well as annual recurring savings, as substantial and reasonable.

- Savings from base realignments and closures are retained by the military Services and used to support higher priority programs that enhance modernization, readiness, and quality of life for our armed forces.

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EFFICIENT FACILITIES INITIATIVE OF 2001
Legislative Details

The Commission and the Closure Process

- The Secretary will conduct a comprehensive review of DoD installations based on a force structure plan and a selection criteria that emphasize military value, and make recommendations to an independent commission by March 14, 2003.
- The Commission will review the Secretary's recommendations, and send their own to the President by July 7, 2003.
 - The Commission can change the Secretary's recommendations only if the Secretary deviated substantially from the force structure plan and selection criteria, and must give the Secretary the chance to testify about the proposed change.
- The President will then have two weeks (until July 22, 2003) to accept or reject the Commission's recommendations on an "all or none" basis. If rejected, the Commission shall provide revised recommendations to the President by Aug 18, 2003.
- If the recommendations are rejected by the President a second time, the process ends. If the recommendations are accepted, the President has until September 3, 2003 to transmit his recommendations to Congress.
- Forty-five days after the President transmits his recommendations (or the adjournment sine die of Congress, whichever occurs first), the President's recommendations become binding on the Secretary unless the Congress enacts a Joint Resolution rejecting the recommendations on an "all or none" basis.
- Recommendations that become binding must be initiated within two years and completed within six years.

Differences from Previous Closures and Realignments

- The legislation provides for a single round, rather than multiple rounds of closures and realignments.
- It demands that the selection criteria emphasize military value. The previous legislation provided no specific guidance as to military value.
- It sets the number of commissioners at nine, rather than eight, so there will be no tie votes.
- The legislation highlights the kind of factors the Secretary should consider in his evaluation, for example:
 - efficiencies gained from combining military operations on a single installation;
 - savings from consolidation of activities;
 - savings and efficiencies from the privatization in place of Defense activities;
 - savings from collocating federal, military department or defense agency activities;

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- savings from the elimination or reduction of leased space;
- whether the cost of environmental cleanup substantially exceeds the value of the property;
- potential remobilization or the potential need for additional test and training ranges and the means to accommodate such potential by:
 - retaining all or a portion of an installation not currently needed for defense purposes
 - leasing such property to other users, provided the lease can be cancelled if necessary; and
 - entering into partnerships with local communities.
- The legislation allows privatization in place only if that method of closure or realignment is specifically authorized in the Secretary's or Commission's recommendations, and is the most cost-effective method of implementation.
- It requires the Commission to give the Secretary or his designee the opportunity to testify on all proposed changes to his recommendations.

Benefits to Local Communities

- The legislation gives localities a significant role in determining the future use of military installations in their communities.
- It expedites the clean-up of property and authorizes its transfer to the local redevelopment authority at no cost, provided the property is used to generate jobs and the proceeds are reinvested in the economic redevelopment of the installation or the surrounding community.
- The legislation re-authorizes the transfer of property in connection with the payment of environmental clean-up by explicitly allowing payments to local redevelopment authorities and making indemnification available for costs resulting from undisclosed contamination.